

## Message Text

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54

ACTION NEA-10

INFO OCT-01 AF-08 EUR-12 ISO-00 CIAE-00 DODE-00 PM-04 H-02

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USIA-06 SAM-01 EB-07 AID-05 CU-02 ACDA-07 CIEP-01

TRSE-00 /100 W

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R 271515Z JUL 76

FM AMEMBASSY CAIRO

TO SECSTATE WASHDC 5559

INFO AMEMBASSY ABU DHABI

AMEMBASSY AMMAN

AMEMBASSY DAMASCUS

AMEMBASSY DOHA

AMEMBASSY JIDDA

AMEMBASSY KHARTOUM

AMEMBASSY KUWAIT

AMEMBASSY LONDON

AMEMBASSY MOSCOW

AMEMBASSY TEL AVIV

AMEMBASSY TRIPOLI

C O N F I D E N T I A L CAIRO 10069

E.O.1165: GDS

TAGS: PFOR PINT EG

SUBJ: SADAT'S SECOND NATIONAL DAY ADDRESS: JULY 26

REF: CAIRO 9953

SUMMARY. SECOND OF SADAT'S TWO NATIONAL DAY ADDRESSES EXHORTED EGYPTIANS TO BE PROUD OF THEIR HERITAGE AND CONFIDENT IN THEIR ABILITY TO FACE UP TO ECONOMIC DIFFICULTIES AHEAD. ONLY NEW SUGGESTION

WAS REQUEST THAT NEW ARAB FUND FOR EGYPT BE CAPITALIZED AT 10-12 BILLION, RATHER THAN TWO BILLION, A PROPOSAL WHICH PREVIOUSLY HAD BEEN MADE ONLY IN PRIVATE. STUDENTS WERE URGED TO FOREGO

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ENGATIVISTIC CRITICISM. SOVIETS AND US WERE HARDLY MENTIONED.

THERE WAS NO RHETORIC ON ISRAEL, A STRIKING OMISSION IN  
CONTEXT OF A NATIONAL DAY ADDRESS. END SUMMARY

1. AS IS HIS CUSTOM, SADAT SPOKE TO NATION FROM ALEXANDRIA ON  
JULY 26, ANNIVERSARY OF FARUQ'S ABDICATION. ADDRESS, RAMBLING  
AND LARGELY EXTEMPORANEOUS, LASTED TWO HOURS BUT CONTAINED  
LITTLE OF SUBSTANCE:

A. QUNITUPLING OF ARAB FUND. PRESIDENT THANKED WEALTHY ARAB  
BROTHERS FOR THEIR PAST GENEROUS ASSISTANCE, BUT SAID TWO  
BILLION DOLLARS CAPITALIZATION FOR ARAB FUND FOR EGYPT IS NOT ENOUGH.  
EGYPT NEEDS 10-12 BILLION DOLLARS OVER FIVE YEARS. THE "WEST"  
OFFERED ITALY TWO BILLION DOLLARS BUT IT IS ALSO PREPARED SUPPLY  
IT WITH ANOTHER TEN BILLION DOLLARS, PRESIDENT OBSERVED.

(COMMENT: SADAT'S DECISIONS SURFACE THIS REQUEST PUBLICLY AND TO  
ASSOCIATE HIMSELF PERSONALLY WITH IT, IS SOMEWHAT SURPRISING,  
GIVEN HIS USUAL RELUCTANCE TO ALLOW PRESIDENT OF REPUBLIC APPEAR AS  
CHIEF EGYPTIAN SOLICITOR OF FUNDS. CLEARLY, GOE INTENDS KEEP UP  
PRESSURE TO INCREASE TWO-  
BILLION- DOLLAR FIGURE SUBSTANTIALLY.)

B. STUDENTS MUST BEHAVE. PRESIDENT ADDRESSED A MAJOR PART OF  
HIS REMARKS TO YOUTH. ASKING AGAIN FOR RETURN TO PRIDE IN  
ACHIEVEMENTS OF THE REVOLUTION, ESPECIALLY LONG-POSTPONED  
ESTABLISHMENT OF "DEMOCRACY" HE OBSERVED THAT EACH SUMMER HE RECEIVES  
REPORTS ON "SCHEMES", TO EXPLOIT YOUTHFUL ENTHUSIASM AND IMPATIENCE.  
PRESS EXAGGERATION OF EGYPT'S PROBLEMS AND OUTSIDE TROUBLEMAKING,  
PARTICULARLY BY QUADHAFI, WHO SEEKS PERSUADE STUDENTS THAT SADAT  
HAS STRAYED FROM NASSER'S PATH, HAVE BEEN FACTORS IN MISLEADING  
STUDENTS. RUMORMONGERING AND PLAIN TROUBLEMAKING MUST NO LONGER BE  
ALLOWED TO CAUSE CAMPUS INSTABILITY.

C. NO CRITICISM OF NASSER. UNDERLINING HIS NEW POLICY  
OF AVOIDING EVEN INDIRECT CRITICISM OF NASSER, SADAT HARANGUED  
THOSE ENEMIES", INCLUDING SPECIFICALLY SYRIA JAND QUADHAFI,  
WHO SEEK EXPLOIT NASSER'S NAME AGAINST SADAT. HE HAD HIGHEST PRAISE  
FOR NASSER'S ROLE IN 1952 AND POINTED OUT THAT EACH OF EGYPT'S  
NATIONALIST LEADERS FROM ARABI PASHA TO SADAT HAVE DONE THEIR  
DUTY, BUT IN EACH CASE, DUTY WAS DIFFERENT. (COMMENT: WITH  
OPPOSITIONIST PARLIAMENTARY CANDIDATES INVOKING NASSER'S NAME  
AGAINST SADAT, TO SAY NOTHING OF PAST SYRIAN AND PRESENT LIBYAN  
PROPAGANDA, SADAT'S NEW POLICY SEEM POLITICS. END COMMENT)

D. SOVIETS. AS ON JULY 22, SADAT HARDLY MENTIONED SOVIETS  
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EXCEPT IN HISTORIC CONTEXT OF PROVING HOW EGYPT GAINED INDEPENDENCE  
OF ACTION IN PART BY EXPULSION EXPERTS AND ABROGATION FRIENDSHIP  
TREATY. HE ALSO COUPLED SOVIETS WITH LIBYANS AND SYRIANS AS THOSE  
MAKING INVIDIOUS DISTINCTIONS BETWEEN HIMSELF AND NASSER.  
E. US POLICY. USG ALSO HARDLY MENTIONED. IN COURSE ILLUSTRATING  
ONE OF MISTAKES OF PAST, I.E., HAPHAZARD PLANNING, HE NOTED WHEN  
PRESIDENT JOHNSON ENDED AIR IN 1965, EGYPTIAN PLANNERS WERE UNABLE  
TO DEAL WITH RESULTING PROBLEMS SATISFACTORILY.

F. ISRAEL. AS ON JULY 22, THERE WAS NO SIGNIFICANT REFERENCE TO ISRAEL.

2. COMMENT: SADAT'S JULY 22 AND 26 SPEECHES ARE BOTH NOTABLE FOR OMISSION OF WHAT WOULD HAVE BEEN APPROPRIATE ON EGYPT'S NATIONAL DAY, I.E., PROTRACTED REFERENCE TO DETERMINATION EXPEL ISRAELI OCCUPIERS FROM EGYPTIAN TERRITORY. ONLY DIRECT REFERENCE TO OCCUPATION CAME IN JULY 22 EXHORTATION TO PLO TO PULL THEMSELVES TOGETHER AND TO CONTINUE OPPOSING OCCUPIERS ON WEST BANK. BOTH US AND USSR RECEIVED BRIEF THANKS FOR PAST (USSR) AND PRESENT (US) SUPPORT, BUT WERE REMINDED THAT EGYPT MUST BE TREATED AS A COUNTRY WHICH IS SOVEREIGN AND POSSESSES INDEPENDENT "FREE WILL".

3. ALTHOUGH SADAT DID NOT REMARK ON "CONSPIRATORS" IN LEBANON, STUDENT UNION PRESIDENT WHO PRECEDED SADAT REFERRED TO THOSE USING RUSSIAN WEAPONS AND FOLLOWING US PLAN.

4. THRUST OF BOTH SPEECHES WAS INTERNAL, WITH STRESS ON NECESSITY FOR YOUNG EGYPTIANS TO APPRECIATE WHAT HAS BEEN DONE IN 24 YEARS. LABOR WAS ADVISED COOPERATE WITH REVOLUTION (JULY 22 - RIGHT TO STRIKE IN INAPPROPRIATE FOR EGYPT) AND STUDENTS WERE SIMILARLY URGED TO MAKE CONSTRUCTIVE CONTRIBUTION TO NATIONAL LIFE. IN BOTH SPEECHES, SADAT AFFIRMED FREEDOM OF EXPRESSION BUT ALSO WARNED PRESS AGAINST RUMORMONGERING AND TROUBLEMAKING. WHAT SADAT HAS IN MIND SPECIFICALLY IS THAT ACCUSATIONS AGAINST SENIOR GOV OFFICIALS MUST, FROM NOW ON, BE CAREFULLY DOCUMENTED.

5. PRESIDENT FRANKLY ADMITTED SERIOUS ECONOMIC STRAITS EGYPT CONFRONTS AND EXHORTS ALL CITIZENS TO FACE UP BRAVELY TO THEM, WHILE NOT EXAGGERATING THE PROBLEMS. HE ADMITTED TWO SPECIFIC PAST ERRORS: ILL-CONCEIVED ECONOMIC PLANNING AND MISTAKEN BELIEF EGYPT COULD DEVELOP WITHOUT OUTSIDE HELP.  
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6. PERHAPS THEME OF WEEKEND HAS BEEN PRIDE

WHICH EGYPTIANS SHOULD TAKE IN THEIR COUNTRY, BOTH IN TERMS OF MAINTAINING EGYPTIAN PERSONALITY FOR "7000 YEARS" AND IN TERMS OF THE SUCCESS OF THE REVOLUTION IN OVERCOMING CRUSHING DIFFICULTIES. THIS SPIRIT, PRESIDENT URGED, CAN CARRY COUNTRY THROUGH ITS ECONOMIC CRISIS. THIS IS FIRST TIME THAT PRESIDENT HAS FOCUSED PUBLICLY, FRANKLY AND AT LENGTH ON "HARD TIMES" THEME. HIS RELUCTANCE TO DO SO HAD DISTURBED MANY FOREIGN OBSERVERS. ON MAY 1, LABOR DAY, FOR EXAMPLE, HE SKIMMED OVER PROBLEMS WITH SUCH LACK OF APLOMB THAT THERE WAS STARTLING LITTLE APPLAUSE WHEN HE FINISHED. THIS TIME, WHILE OFFERING NO NEW PANACEA EXCEPT FOR MORE ARAB MONEY,

HE AT LEAST "ADMITTED" EGYPT FACES GRAVE DIFFICULTIES AND  
MADE RELATIVELY SPIRITED ATTEMPT GEAR UP HIS CONSTITUENCY  
TO CONFRONT THEM.  
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## Message Attributes

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